

**Dealcyber Limited**  
(Registered number: 03541898)

**Annual Report**  
**for the year ended 31 December 2017**



**Registered office address:**  
980 Great West Road  
Brentford  
Middlesex  
TW8 9GS  
England

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Annual Report**  
**for the year ended 31 December 2017**

**Contents**

	<b>Pages</b>
Strategic report	1
Directors' report	2-3
Independent auditors' report	4-5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9-15

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Strategic report for the year ended 31 December 2017**

The Directors present their Strategic report on Dealcyber Limited (the "Company") for the year ended 31 December 2017.

**Principal activities and future developments**

The principal activity of the Company is property management and development. The Company is a member of the GlaxoSmithKline Group (the "Group"). The Directors do not envisage any change to the nature of the business in the foreseeable future.

The Company is a private company and is incorporated and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS.

**Review of business**

The Company made a profit for the financial year of £8,222,000 (2016: £7,435,000). The Directors are of the opinion that the current level of activity and the year end financial position are sustainable and the Company remains a going concern due to support from GlaxoSmithKline Finance plc. The Directors have received confirmation that GlaxoSmithKline Finance plc intends to support the Company for at least one year after these financial statements are signed.

The profit for the year of £8,222,000 will be transferred to reserves (2016: profit for the year of £7,435,000 transferred to reserves).

**Principal risks and uncertainties**

The Directors of GlaxoSmithKline plc manage the risks of the "Group" at a group level, rather than at an individual statutory entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2017 Annual Report which does not form part of this report.

**Key performance indicators (KPIs)**

The Directors of the Group manage the Group's operations on an operating segment basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development, performance and position of the Group are discussed in the Group's 2017 Annual Report which does not form part of this report.

By order of the Board



Alan Burns  
For and on behalf of Edinburgh Pharmaceutical Industries Limited  
Company Secretary  
05 April 2018

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Directors' report for the year ended 31 December 2017**

The Directors present their report on the Company and the audited financial statements of the Company for the year ended 31 December 2017.

**Results and dividends**

The Company's results for the financial year are shown in the statement of comprehensive income on page 6.

*No dividend is proposed to the holders of ordinary shares in respect of the year ended 31 December 2017 (2016: £nil).*

**Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Glaxo Group Limited  
Edinburgh Pharmaceutical Industries Limited  
A Walker

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business with the exception of the Corporate Directors, where such an interest may arise in the ordinary course of business. A corporate director is a legal entity of the Group, as opposed to a natural person (an individual) director.

**Directors' indemnity**

Each of the Directors benefits from an indemnity given by the Company under its articles of association. This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of his, her or its duties.

In addition, each of the Directors who is an individual benefits from an indemnity given by another Group company, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the Director is a party by virtue of their engagement in the business of the Company.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

**Dealcyber Limited**  
(Registered number: 03541898)

**Directors' report for the year ended 31 December 2017**

**Statement of Directors' responsibilities (continued)**

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following items have been included in the strategic report on page 1:

- principal activities and future developments;
- review of business; and
- principal risks and uncertainties.

**Governance**

The Company's approach to the Modern Slavery Act 2015 is set by the Group. Each year, as part of their governance arrangements, the Group formally reviews and approves the approach to the Modern Slavery Act 2015 and has confirmed that the approach is still valid for 2017.

**Disclosure of information to auditors**

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Going concern**

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of GlaxoSmithKline Finance plc. The Directors have received confirmation that GlaxoSmithKline Finance plc intends to support the Company for at least one year after these financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Independent auditors**

Following the signing of the accounts the Company will be appointing Deloitte LLP as statutory auditors for the 2018 financial year.

By order of the Board



Alan Burns  
For and on behalf of Edinburgh Pharmaceutical Industries Limited  
Company Secretary  
05 April 2018

**Dealcyber Limited**  
(Registered number: 03541898)

## **Independent auditors' report to the members of Dealcyber Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Dealcyber Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2017; Statement of comprehensive income for the year then ended; the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described on page 5.

**Dealcyber Limited**  
(Registered number: 03541898)

## **Independent auditors' report to the members of Dealcyber Limited**

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 and 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

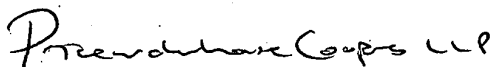
#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
5 April 2018

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Statement of comprehensive income**  
**for the year ended 31 December 2017**

	Notes	2017 £'000	2016 £'000
Turnover	4	14,625	14,625
<b>Gross profit</b>		<b>14,625</b>	<b>14,625</b>
Administrative expenses	9	(3,448)	(4,226)
Other operating expense		(19)	(19)
<b>Operating profit</b>	5	<b>11,158</b>	<b>10,380</b>
<b>Profit before interest and taxation</b>		<b>11,158</b>	<b>10,380</b>
Finance expense	7	(286)	(441)
<b>Profit before taxation</b>		<b>10,872</b>	<b>9,939</b>
Taxation	8	(2,650)	(2,504)
<b>Profit for the year</b>		<b>8,222</b>	<b>7,435</b>

The results disclosed above for both the current year and prior year relate entirely to continuing operations.

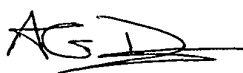
The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement to present other comprehensive income has been prepared.

**Dealcyber Limited**  
(Registered number: 03541898)

**Balance sheet**  
**as at 31 December 2017**

	Notes	2017 £'000	2016 £'000
<b>Non-current assets</b>			
Investment properties	9	128,042	131,490
<b>Current assets</b>			
Trade and other receivables	10	3,638	6,420
<b>Total assets</b>		<b>131,680</b>	<b>137,910</b>
<b>Current liabilities</b>			
Trade and other payables	11	(52,930)	(67,313)
<b>Net current liabilities</b>		<b>(49,292)</b>	<b>(60,893)</b>
<b>Total assets less current liabilities</b>		<b>78,750</b>	<b>70,597</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	(1,212)	(1,281)
<b>Total liabilities</b>		<b>(54,142)</b>	<b>(68,594)</b>
<b>Net assets</b>		<b>77,538</b>	<b>69,316</b>
<b>Equity</b>			
Share capital	12	27,538	27,538
Retained earnings		50,000	41,778
<b>Shareholders' equity</b>		<b>77,538</b>	<b>69,316</b>

The financial statements on pages 6 to 15 were approved by the Board of Directors on 05 April 2018 and signed on its behalf by:



Alan Burns  
For and on behalf of Edinburgh Pharmaceutical Industries Limited  
Corporate Director

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Statement of changes in equity**  
**for the year ended 31 December 2017**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
<b>At 1 January 2016</b>	27,538	34,343	<b>61,881</b>
Profit and total comprehensive income for the year	-	7,435	<b>7,435</b>
<b>At 31 December 2016</b>	<b>27,538</b>	<b>41,778</b>	<b>69,316</b>
Profit and total comprehensive income for the year	-	8,222	<b>8,222</b>
<b>At 31 December 2017</b>	<b>27,538</b>	<b>50,000</b>	<b>77,538</b>

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Notes to the financial statements for the year ended 31 December 2017**

**1 Presentation of the financial statements**

**General information**

The principal activity of Dealcyber Limited (the "Company") is property management and development. The Company is a member of the GlaxoSmithKline Group (the "Group").

The Company is a private company and is incorporated and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company has received a letter of support from GlaxoSmithKline Finance plc. which confirms its intention to provide financial support for at least twelve months from the date of signing off the financial statements. As a result of continued financial support, the Directors of the Company are satisfied that the going concern basis remains appropriate.

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

***Disclosure exemptions adopted***

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period); and
  - (iv) paragraph 76 and 79(d) of IAS 40 Investment property;

**Dealcyber Limited**  
(Registered number: 03541898)

**Notes to the financial statements for the year ended 31 December 2017**

**(a) Basis of preparation (continued)**

***Disclosure exemptions adopted (continued)***

- The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) (statement of cash flows),
  - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirements for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third balance sheet),
  - 111 (cash flow statement information), and
  - 134 - 136 (capital management disclosures).
- IAS 7 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

The financial statements of GlaxoSmithKline plc can be obtained as described in note 2(b).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**(b) Ultimate and immediate parent company**

The Company is a wholly owned subsidiary of the ultimate parent company. GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. The largest and smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of GlaxoSmithKline plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is SmithKline Beecham Limited. These financial statements are separate financial statements.

**(c) Turnover**

Turnover is recognised in the statement of comprehensive income when rental services are supplied to other Group subsidiaries. Turnover represents rental of property, plant and equipment to other Group subsidiaries recognised on an accruals basis.

**(d) Expenditure**

Expenditure is recognised in respect of services received when supplied in accordance with contractual terms.

**(e) Finance expense**

Finance expenses are recognised on an accruals basis using the effective interest method.

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Notes to the financial statements for the year ended 31 December 2017**

**(f) Investment properties**

Investment properties comprise significant portions of freehold office buildings that are held for long-term rental yields and/or capital appreciation. Investment properties also comprise of plant and machinery installed within investment properties.

Investment properties, including plant and machinery, are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 10-20 years for plant and machinery and 20-50 years for buildings. Land is not depreciated. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the statement of comprehensive income.

**(g) Trade and other receivables**

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the statement of comprehensive income.

Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income. Long-term receivables are discounted where the effect is material.

**(h) Trade and other payables**

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term payables are discounted where the effect is material.

**(i) Taxation**

Current tax is provided at the amounts expected to be paid or refunded applying the rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probably that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**(j) Share capital**

Ordinary shares are classified as equity.

**3 Key accounting judgements and estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the financial statements. Actual amounts and results could differ from those estimates. The following are considered to be the key accounting judgements and estimates made.

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Notes to the financial statements for the year ended 31 December 2017**

**3 Key accounting judgements and estimates (continued)**

**(a) Taxation**

Current tax is provided at the amounts expected to be paid or refunded, and deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised, based on managements assumptions relating to the amounts and timing of future taxable profits.

**(b) Useful economic lives of investment properties**

The annual depreciation charge for investment properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. See Note 9 for the carrying values of investment properties. Useful economic lives are disclosed in the accounting policy for investment properties.

**4 Turnover**

During the year ended 31 December 2017, the Company operated in one geographical segment, the United Kingdom, and one class of business, being the rental services to other Group companies.

**5 Operating profit**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>The following items have been charged in operating profit:</b>		
Depreciation of investment property	<b>(3,448)</b>	<b>(4,226)</b>
Management fee	<b>(19)</b>	<b>(19)</b>

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditors' remuneration of £11,041 (2016: £11,041).

Operating profit is stated after charging £3,467,000 (2016: £4,245,000) of direct operating costs in relation to a property that is generating income under an operating lease agreement with another Group company.

**6 Employees**

All UK employees are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (see Note 5). The Company has no employees (2016:nil).

**7 Finance expense**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
On loans with Group undertakings	<b>(286)</b>	<b>(441)</b>

**Dealcyber Limited**  
**(Registered number: 03541898)**

**Notes to the financial statements for the year ended 31 December 2017**

**8 Taxation**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Income tax expense on profit</b>		
<b>Current Tax:</b>		
UK corporation tax at 19.25% (2016: 20.00%)	<b>2,719</b>	2,786
Total current tax	<b>2,719</b>	2,786
<b>Deferred Tax:</b>		
Origination and reversal of timing differences	<b>(69)</b>	(195)
Effect of tax rate change on opening balance	-	(87)
Total deferred tax	<b>(69)</b>	(282)
<b>Total tax charge for the year</b>	<b>2,650</b>	2,504

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.00%). The differences are explained below:

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Reconciliation of total tax charge</b>		
Profit on ordinary activities before tax	<b>10,872</b>	9,939
Profit on ordinary activities at the UK standard rate 19.25% (2016: 20.00%)	<b>2,093</b>	1,988
Effects of:		
Expenses not deductible for tax purposes	<b>548</b>	570
Adjust deferred tax to average rate of 19.25%	<b>9</b>	(54)
<b>Total tax charge for the year</b>	<b>2,650</b>	2,504

Factors that may affect future tax charges:

The UK tax rate for the year ended 31 December 2017 is 19.25%, lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Further reductions in the UK corporation tax rates from 19% to 17% (effective 1 April 2020) were enacted as part of the Finance Act 2016 on 15 September 2016. This will reduce the Company's future current tax charge accordingly. Deferred taxes have been calculated based on the rate of 17% (2016: 17%) enacted at the balance sheet date.

<b>Movement in deferred tax liabilities</b>	<b>Accelerated capital allowances</b>
	<b>£'000</b>
<b>At 1 January 2016</b>	1,563
Credit to the Statement of comprehensive income	(282)
<b>At 1 January 2017</b>	1,281
Credit to the Statement of comprehensive income	(69)
<b>At 31 December 2017</b>	1,212

**Dealcyber Limited**  
(Registered number: 03541898)

**Notes to the financial statements for the year ended 31 December 2017**

**8 Taxation (continued)**

After offsetting deferred tax assets and liabilities where appropriate, the net deferred tax liability comprises:

	2017 £'000	2016 £'000
Deferred tax liabilities classified as non-current liabilities	1,212	1,281

**9 Investment properties**

	Total £'000
<b>Cost</b>	
At 1 January 2016, 31 December 2016 and 31 December 2017	200,745
<b>Accumulated depreciation</b>	
At 1 January 2016	(65,029)
Charge for the year	(4,226)
<b>At 31 December 2016</b>	(69,255)
Charge for the year	(3,448)
<b>At 31 December 2017</b>	(72,703)
<b>Net book value at 1 January 2016</b>	135,716
<b>Net book value at 31 December 2016</b>	131,490
<b>Net book value at 31 December 2017</b>	128,042

The net book value at 31 December 2017 of the Company's investment properties comprises freehold properties of £120m (at 1 January 2017: £123m) and installed plant and equipment of £8m (at 1 January 2017: £8m). The fair value of the investment property is £154m. The fair value on investment property has been determined based on a market value basis and calculated by an independent external valuation expert. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The property is leased out to another member of the Group under an operating lease that commenced on 1 January 2004. No lease incentives were offered on signing of the lease and no amount in relation to contingent rents have been recognised in the Statement of comprehensive income. Obligations with regard to repairs and maintenance are split between the lessor and lessee. Costs that are more capital in nature are borne by the Company, whereas general day to day repairs and maintenance are the responsibility of the lessee.

The operating lease can be terminated by either party at six months notice. Based on a non-cancellable lease term of six months, the future minimum operating lease rental income from this lease are:

	2017 £'000	2016 £'000
Not later than one year	7,313	7,313

**Dealcyber Limited**  
(Registered number: 03541898)

**Notes to the financial statements for the year ended 31 December 2017**

**10 Trade and other receivables**

	2017 £'000	2016 £'000
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	3,638	6,420

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

**11 Trade and other payables**

	2017 £'000	2016 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	50,211	64,527
Corporation tax	2,719	2,786
	<b>52,930</b>	<b>67,313</b>

Amounts owed to Group undertakings are unsecured, interest free and are payable on demand, except for a call account balance with GlaxoSmithKline IHC Limited of £47,425,084 (2016: £61,741,000) which is unsecured with an interest paid at LIBOR rate plus 0.25% (2016: 0.25%) per annum and payable on demand.

The corporation tax creditor contains amounts which will be paid to fellow Group companies.

**12 Share capital**

	2017 Number of shares	2016 Number of shares	2017 £'000	2016 £'000
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each (2016: £1 each)	27,537,839	27,537,839	27,538	27,538

**13 Contingent liabilities**

**Group banking arrangement**

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31 December 2017 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

**14 Directors' remuneration**

During the year the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (2016: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2016: £nil).

**15 Related party transactions**

As a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation. There are no other related party transactions.